

February 3, 2004



Best Western
Paradise Management

1025 North Main Street
P.O. Box 268
Fillmore, Utah 84631
(801) 743-5848
Fax (801) 743-5844

State of Utah
Division of Oil, Gas & Mining
1594 N. West Temple, Suite 1210
P. O. Box 145801
Salt Lake City, Utah 84114-5801

RECEIVED

FEB 05 2004

DIV. OF OIL, GAS & MINING

Attn: Doug Jensen

Dear Doug:

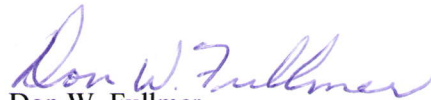
Enclosed is a map of the Koosharem Kaolin pit showing all current overburden and topsoil stockpiles as they exist today.

Upon approval of our mining plan we expect to resume mining within the current pit area and extending the pit slowly along profile line B in an Easterly direction. After completion of this phase the mining activity would turn southerly until the limits of the permitted area and or the economic limitations are reached.

We do not anticipate that we will have to move any of the topsoil piles marked M4 through M9 since their locations were preselected as having low potential for economic mineral production. In other words the mining activity is expected to go around these piles without disturbing them. Some additional topsoil could be added to these piles as material is generated.

In the event that some part of piles M8 or M9 would need to be moved to accommodate mining activity they could be relocated nearby or moved to an area where mining has been completed within the existing pit area and as near as possible to their point of eventual use in the reclamation process. One such area has been marked with a red pen on the enclosed map.

Please advise if I can be of further assistance.


Don W. Fullmer
President

note: map in plan & updated
5/26/04